

King of Prussia, PA - On Wednesday May 27, Congressman Joe Sestak (PA-07) joined David Dickson, SBA District Director, and Charles LaRosa, owner of The Melting Pot restaurant, at a press conference to discuss how the American Recovery and Reinvestment Act has helped small businesses in the area. LaRosa was among the first to receive benefits from the Small Business Administration's new loan program under the American Reinvestment and Recovery Act.

Charles LaRosa received a loan for \$1.2 million to start his fourth gourmet fondue restaurant, and will create 41 new jobs. The Recovery Act saved Mr. LaRosa \$38,300 in fees to reinvest in his business. The SBA provisions in the Recovery Act were designed not only to help small businesses keep the doors open, but also to help them grow and create jobs. The Recovery Act programs are now reaching the small businesses and beginning to have an impact, helping them retain and create tens of thousands of jobs throughout the country. Average weekly SBA loan volume is increasing and more lenders are responding by making SBA-backed loans to small businesses.

Congressman Sestak said, "This event today is an example of how this critical legislation will begin to rebuild the economy and put Americans back to work (including 143,000 new jobs in Pennsylvania) during the worst economic crisis since the Great Depression – an economy in which the housing market is in its worst state since the 1930s and turmoil in the financial markets threatens the long-term economic, health, education, and retirement security of millions of Americans."

Demonstrating the universal downturn, approximately 38 states are now in recession; retail sales, vehicle sales and industrial production are plunging downward; and a January increase in unemployment insurance claims suggest another monthly job loss of over 500,000. At the same time, state tax revenue growth has slowed as home sales, property values, and corporate profits have all fallen. This has led to a massive gap between state and local government revenues and their expenditures of over \$100 billion—a record—in the third quarter of 2008.

In the 7th District, the current economic crisis adds to the fact that over the past eight years, health premiums have increased nearly 100%; education over the past six years at a public university has soared over 65%; and real income has not kept pace with inflation as over 50% of the District's families have less real income today than in 2001.

“I believe that the cycle we are currently experiencing can only be broken by aggressive and relentless government intervention, and one of the ways is by a significant stimulus plan to provide both quick relief to individuals, businesses, and state governments to pay their bills, and to give a strong boost to the economy. While it is clear that the market has responded to recent action from both the Troubled Asset Relief Program and the Federal Reserve, which put funding into the credit and financial sectors and resulted in residential mortgage rates and Libor falling. The decline in Libor (the rate banks lend money to each other overnight and to which every credit card in America is directly tied) is indicative that interbank lending is improving. Commercial paper rates are also falling and without the implementation of an aggressive stimulus plan, conditions will worsen quickly and further harm the economic security of my constituents, and all Americans,” said Congressman Sestak.

Former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, and was Commander of an aircraft carrier battle group of 30 U.S. and allied ships, with more than 15,000 sailors and 100 aircraft, that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of “Deep Blue,” the Navy’s anti-terrorism unit that established strategic and operations policies for the “Global War on Terrorism.” He previously served in the White House as President Clinton’s Director for Defense Policy and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, he is the highest-ranking former military officer ever elected to the U.S. Congress.